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E.O. 11652: XGDS-2

TAGS: PFOR MASS ID

SUBJECT: SIGNIFICANT DEVELOPMENTS AND COMMENTS RE INDONESIA SINCE
DECEMBER 9, 1975

REF: JAKARTA 0694 (DTG 160945Z JAN 76)

S E C R E T/WARNING NOTICE-SENSITIVE INTELLIGENCE SOURCES
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FOLLOWING ITEMS ARE SUMMARY (REDACTED)
WHICH SUPPLEMENT INFORMATION CONTAINED REF.

1. UNITED STATES-INDONESIAN RELATIONS.

THE INDONESIAN REACTION TO PRESIDENT FORD'S VISIT
HAS BEEN FAVORABLE. ALTHOUGH REGARDING THE VISIT AS
ESSENTIALLY A COURTESY, THE GOI BELIEVES IT SERVED TO CON-
FIRM THE U.S. COMMITMENT TO MAINTAIN A PRESENCE IN
SOUTHEAST ASIA AND TO DEMONSTRATE THE CLOSE RELATIONSHIP
BETWEEN THE U.S. AND INDONESIA. PRESIDENT SUHARTO AND
HANKAM HAVE PRIVATELY ENDORSED THE NEW PACIFIC DOCTRINE
AS BENEFICIAL TO INDONESIA AND A WARNING TO THE USSR AND
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THE PRC NOT TO TRY TO DOMINATE THE PACIFIC AREA. THE PRESIDENT IS REPORTED TO BE DISPLEASED WITH THE INDONESIAN VOTE AGAINST U.S. INTERESTS IN THE UNITED NATIONS VOTE ON THE U.S. MILITARY PRESENCE IN GUAM, WHICH WAS APPARENTLY REGARDED AS A ROUTINE MATTER BY THE INDONESIAN U.N. DELEGATIONS AND NOT REFERRED TO JAKARTA FOR A DECISION.

2. INDONESIAN-SINGAPOREAN RELATIONS.

FOLLOWING THE SINGAPOREAN ABSTENTION IN THE U.N. VOTE ON PORTUGUESE TIMOR, [REDACTED]

[REDACTED]

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[REDACTED] INDONESIA FINDS UNACCEPTABLE THE SINGAPOREAN EXPLANATION THAT THE VOTE WAS A MISUNDERSTANDING BETWEEN SINGAPORE AND ITS UNITED NATIONS DELEGATION. INITIALLY, INDONESIA PLANNED, UNDER ORDERS FROM SUHARTO, A SERIES OF HARSH MEASURES IN RETALIATION AGAINST SINGAPORE. SINCE THEN, MORE MODERATE ADVICE HAS PREVAILED, PARTICULARLY FOR THE SAKE OF PRESERVING ASEAN UNITY. A PRIVATE DEMARCHE WILL BE MADE TO SINGAPORE, RELATIONS WITH SINGAPOREAN OFFICIALS WILL BE COOL BUT CORRECT, AND INDONESIA WILL TRY TO DETERMINE THE REASON FOR SINGAPORE'S ACTION AND TRY TO AVOID SIMILAR PROBLEMS IN THE FUTURE.

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3. INDONESIAN-MALAYSIAN RELATIONS.

ALTHOUGH INDONESIAN-MALAYSIAN RELATIONS REMAIN CLOSE AND GENERALLY HARMONIOUS, THE GOI IS DISTURBED BY THE LIKELIHOOD OF A CHANGE OF GOVERNMENT IN KUALA LUMPUR. THE GOI ANTICIPATES THAT PRIME MINISTER RAZAK'S DEATH MAY PAVE THE WAY FOR AN ASSUMPTION OF AUTHORITY BY ULTRANATIONALIST, THOROUGHLY ISLAMIC, YOUNGER, AND LESS PRAGMATIC LEADERS. THIS WOULD DISRUPT THE HERETOFORE EXCELLENT RELATIONS WHICH GOI OFFICIALS HAVE ENJOYED WITH THE OLDER GENERATION OF MALAYSIAN LEADERS AND IS SECRET

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THEREFORE OF CONSIDERABLE CONCERN TO THE GOI [REDACTED]
[REDACTED] CONCERNED
ABOUT WHAT HE PERCEIVED AS A FALLING INTO DISREPAIR OF

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MALAYSIAN-INDONESIAN RELATIONS. [REDACTED]

[REDACTED] BELIEVED THERE IS A PRO

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[REDACTED] THE CONCERN IN THE GOI AND THE GOM DOES NOT
APPEAR TO PORTEND SERIOUS PROBLEMS IN INDONESIAN-MALAYSIAN
RELATIONS. IF ANYTHING, IT SEEMS TO BE BRINGING ABOUT AN
ATTEMPT TO SMOOTH OVER DIFFERENCES. THE GOI HAD TAKEN
STEPS TO ATTEMPT TO SHORE UP RAZAK'S POLITICAL SUPPORT IN
MALAYSIAN BY URGING MALAYSIAN CABINET MEMBERS AND THE
MALAYSIAN CHINESE COMMUNITY TO SUPPORT RAZAK, ESPECIALLY
IN HIS DISPUTE WITH THE CHIEF MINISTER OF SELANGOR, DATO
HARUN.

4. ASEAN SUMMIT MEETING.

PROGRESS TOWARD AN ASEAN SUMMIT MEETING CONTINUES
FITFULLY WITH CURRENT PLANS STILL CALLING FOR A MEETING
IN BALI IN LATE FEBRUARY. IN THE VARIOUS SENIOR OFFICIALS
MEETINGS HELD THUS FAR, THE BASIC PROBLEMS HAMPERING
ASEAN HAVE NOT BEEN RESOLVED. THE TWO MOST SERIOUS
DISAGREEMENTS ARE OVER AN ASEAN APPROACH TO INDOCHINA AND
AND ASEAN FREE TRADE ZONE. INDONESIA, SUPPORTED GENERALLY
BY THE PHILIPPINES AND SINGAPORE, ADVOCATES A CORRECT
BUT FIRM ATTITUDE TOWARD INDOCHINA, WHILE SIMULTANEOUSLY
REGARDING VIETNAM AS A POTENTIAL ENEMY AND PREPARING FOR
THE WORST. MALAYSIAN AND THAILAND ADVOCATE A MORE
CONCILIATORY ATTITUDE WITH MALAYSIAN EVEN SUGGESTING
INCLUSION OF THE INDOCHINESE STATES IN ASEAN. REGARDING
FREE TRADE, INDONESIA IS THE CONSPICUOUS HOLDOUT ON AN
AGREEMENT FOR A FREE TRADE AREA. INDONESIA WANTS ONLY
THE LIFTING OF TARIFFS ON SPECIFIC ITEMS, PRIMARILY
BECAUSE IT BELIEVES IT IS NOT ABLE TO COMPETE IN TRADE
ON AN EQUAL FOOTING WITH THE OTHER MEMBERS. THE DIS-
SOLUTION OF THE THAI GOVERNMENT AND PRIME MINISTER RAZAK'S
DEATH HAVE ADDED OTHER FACTORS IN ARRANGING A SUMMIT
MEETING, AND THERE IS SOME SPECULATION, PARTICULARLY IN
THE PHILIPPINES, THAT PRESIDENT SUHARTO'S HEALTH MAY
PREVENT HIS ATTENDANCE.

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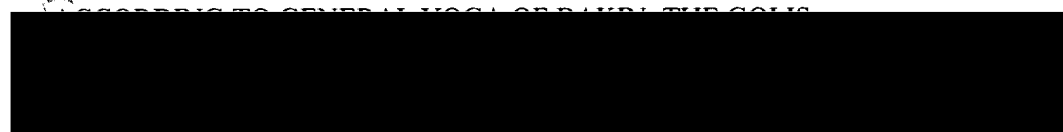
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5. POSSIBLE VISIT BY JAPANESE PRIME MINISTER.

THE GOI HAS REACTED FAVORABLY TO A GOJ INQUIRY AS TO WHETHER INDONESIA WOULD RECEIVE PRIME MINISTER MIKI TAKEO, WHO WISHES TO VISIT THE ASEAN COUNTRIES, PRIMARILY TO ESTABLISH GOODWILL. PRESIDENT SUHARTO HAS APPROVED THE VISIT, WHICH THE GOI WANTS IN THE SUMMER OF 1976 BETWEEN THE ASEAN SUMMIT MEETING AND AN EXPECTED INTENSIFICATION OF THE INDONESIAN ELECTION CAMPAIGN IN THE FALL OF 1976. THE GOI WOULD LIKE MIKI TO BE PRESENT FOR THE FORMAL INAUGURATION OF THE ASAHAN PROJECT, EXPECTED THIS SUMMER. ISSUES WHICH THE GOI MAY RAISE WITH MIKI INCLUDE THE LOMBOK CTS FACILITY, THE SECURITY THREAT FROM INDOCHINA, A REQUEST FOR JAPAN TO COORDINATE ITS INDOCHINESE AID PROGRAM WITH INDONESIA, AND JAPANESE ECONOMIC ASSISTANCE TO INDONESIA. NO CIVIL DISTURBANCES ARE EXPECTED IF MIKI VISITS INDONESIA.

6. PALESTINE LIBERATION ORGANIZATION (PLO).

IN ACCORDANCE TO GENERAL HOSNI MUBARAK'S POLICY, THE GOI IS



ALTHOUGH HE BELIEVES THIS WOULD BE A MISTAKE, IT PROBABLY IS INEVITABLE. BAKIN AND HANKAM OPPOSE THIS MOVE, AS IT WOULD CREATE A SERIOUS SECURITY THREAT, FOR EXAMPLE, BY
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INCREASING THE CHANCES OF INTERNATIONAL TERRORISM IN INDONESIA. DEPLU ARGUES THE MOVE SHOULD BE TAKEN IN ORDER TO SHORE UP INDONESIA'S THIRD-WORLD IMAGE, ESPECIALLY IN VIEW OF INDONESIAN ACTIONS IN PORTUGUESE TIMOR. PLO REPRESENTATIVES WERE INVITED TO AND ARE ATTENDING THE CURRENT UNCTAD MEETING IN JAKARTA DESPITE BAKIN'S OBJECTION.

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THE GOI HOPES TO EXPLOIT THE CURRENT INDONESIA-MIDDLE EAST SEMINAR IN JAKARTA SPONSORED BY THE HARAPAN KITA FOUNDATION TO PERSUADE THE ARAB COUNTRIES TO INVEST IN INDONESIA. HOWEVER, LEADERS OF THE ARAB DELEGATIONS, NOTABLY ALGERIA, LIBYA, KUWAIT, AND SYRIA, INTEND TO MAKE IT CLEAR THAT ANY ARAB FINANCIAL SUPPORT FOR INDONESIA DEPENDS UPON THE EXTENT OF THE OTTOMAN SUPPORT FOR THE PALESTINIAN CAUSE WORLDWIDE.

7. PORTUGUESE TIMOR.

MILITARY. THE NEXT POINTS OF ATTACK ARE APPARENTLY BOBONARO, THE CENTER OF A CIRCLE WHICH IN INDONESIANS ARE TRYING TO CLOSE AROUND FRETILIN FORCES IN THE WESTERN PART OF PORTUGUESE TIMOR, AND SUAI AND VIQUEQUE ON THE SOUTH COAST OF THE ISLAND. HEAVY RAINS ARE SLOWING THE INDONESIAN ADVANCE, AS ARE FRETILIN GUERRILLA TACTICS SUITABLE FOR THE RUGGED TERRAIN IN THE COUNTRYSIDE. INDONESIAN CASUALTIES HAVE BEEN UNEXPECTEDLY HIGH, AMOUNTING TO SEVERAL HUNDRED KILLED AND MANY OTHERS WOUNDED. THIS HAS ADVERSELY AFFECTED THE MORALE OF THE INDONESIAN TROOPS. A LACK OF DISCIPLINE, LOOTING, AND RAPE HAVE BEEN REPORTED AMONG SOME INDONESIAN UNITS, PARTICULARLY IN DILI. THESE UNITS ARE TO BE REMOVED AND CERTAIN INDIVIDUALS DISCIPLINED. GENERAL MURDANI REMAINS IN COMMAND OF THE FORWARD COMMAND POST, ALTHOUGH HE MAY BE REPLACED BY GENERAL LOPULISA OF KOSTRAD. THERE IS STILL NO EVIDENCE OF EXTERNAL SUPPORT FOR FRETILIN.

POLITICAL. INDONESIAN EFFORTS TO CREATE A CIVIL ADMINISTRATION AND REVIVE THE ECONOMY OF EAST TIMOR ARE PROGRESSING SLOWLY, LARGELY BECAUSE OF THE INEPTITUDE OF LOCAL TIMORESE LEADERS AND THE RELUCTANCE OF LOCAL BUSINESSMEN TO REOPEN THEIR SHOPS. NEVERTHELESS, IT IS CLEAR THE GOI INTENDS TO DEVOTE WHATEVER EFFORT AND MONEY IS NECESSARY TO ACCOMPLISH THESE GOALS. A REFERENDUM OR OTHER FORM OF SELF-DETERMINATION IS STILL PLANNED,

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PERHAPS AS EARLY AS MARCH OR APRIL. THE GOI HAS INITIATED AN INDOCTRINATION PROGRAM AMONG THE TIMORESE TO PERSUADE THEM OF THE DESIRABILITY OF UNION WITH INDONESIA.

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